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Supporting Experiences in Inter-LGU Cooperation: Report on the Outcomes of dldp and Partners' Contributions

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1. Objective

Local government units (LGUs) in Albania are highly diverse in terms of their human, financial and natural resources, as well as the size of their territories and populations. The abilities of LGUs to provide public services to citizens in the areas assigned to them by the decentralization legislation are thus variable. In such a context, the relevance of inter-LGU cooperation, which involves partnerships between LGUs that maintain their autonomy while working together to delivery public services more effectively and with a more efficient use of scarce public resources, is considerable. Inter-LGU cooperation is also seen as promising because it can be initiated within the existing structure in Albania by local units themselves for functions exclusive to them.¹ Inter-LGU cooperation can makes supplementary resources available to small LGUs and can allow bigger LGUs to take advantage of complementarities.² The objective of this report is to document the contributions made by the Decentralisation and Local Development Programme (dldp) in the field of inter-LGU cooperation, and in particular to assess the changes that have come about as a result of these contributions. The report seeks to answer the following questions:

1. What do partners (dldp partner LGUs, the national government, other national partners and other LGUs) do differently in the field of inter-LGU cooperation (party as a result of dldp's efforts)?
2. How are dldp supported activities aligned with national-level objectives in the field of inter-LGU cooperation?

Why does dldp consider inter-LGU cooperation an important topic to become engaged in? The rationale is related both to a) making decentralisation more effective, supporting conditions in which local governments can, in partnership, fulfil the functions assigned to them within the frame of the limited finances available and b) providing better quality public services to citizens, particularly those in small LGUs that might not have the capacity to provide certain services on their own. Furthermore, the concept of regional development – with a respective change of role of the Qarks - has been under discussion for several years in the frame of Albania's EU integration agenda. However, a clear regional development strategy has not been approved yet. Inter-LGU cooperation is thus still the most adequate approach for addressing issues and challenges going beyond the territory of a single LGU. Inter-LGU cooperation therefore can help in achieving dldp's overall goal *"capacities of municipalities and communes in Shkodra and Lezha are strengthened contributing to improved regional development in Northern Albania and decentralization reform at national level"* as well as its 2 key outcomes. As such, inter-LGU cooperation

¹ Dokali Wilson, Alba. 2011. "Beyond Administrative Borders: IMC in Albania". In Paweł Swianiewicz (ed) *Working Together: Intermunicipal Cooperation in Five Central European Countries* (Budapest: Open Society Foundation).

² Dldp and Albanian Development Fund, 2012. *Inter LGU cooperation in local strategic planning and LGU funding instruments in Albania: Experiences, lessons learnt and recommendations* (Shkodra: dldp).

presents an important opportunity, as well as a challenge, both to dldp and to its partner LGUs, regional and national-level actors.

2. Methodology

The methodology used for preparing this report is based on the guidance provided by the UNDP publication “Outcome Level Evaluation”, recommendations given in dldp’s mid-term evaluation for the second phase, as well as consultation with “key informants” from project partners and the project staff.³ The monitoring methodology developed for this report serves to complement the project’s regular monitoring system and this is not fully comprehensive of all levels of the results chain from input to impact. Rather it focuses on a snapshot approach to monitor dldp outputs (contributions) and outcomes (changes) at partner level in several areas of key project activities. By partner level we understand not only the central government in Tirana, but also local government units (LGUs) in other parts of the country than dldp’s working area. We can consider this both a kind of “scaling-up” as well as a kind of scaling-out or “scaling-over”. Additionally, we consider some outcomes at the level of dldp partner LGUs in the working areas being reported with this methodology.

The information in this report is based on interviews with the following five experts knowledgeable about dldp’s activities in the field of inter-LGU cooperation and the changes they have inspired:

- Edlira Muhedini – Project Coordinator of the Council of Europe Project “Reinforcing Local and Regional Government Structures in Albania”
- Alba Dakoli – FLAG Executive Director and expert on inter-LGU cooperation
- Blendi Bushati – Director of the Regional Development -Albanian Development Fund Reida Shahollari –Public Procurement Agency, Director of the Legal Department
- Rozeta Gradeci - COSPE Project Coordinator

Additional data came from a literature review of project existing studies and reports (several of which were themselves based on interview or focus group discussion data). All of the interviews and secondary data were analysed for key contributions and key outcomes or changes.⁴ This report covers the period 02.2012-06.2012 and builds on dldp experience from 2010 -2012.

3. The context of inter-LGU cooperation in Albania

A recent assessment of inter-LGU cooperation in Albania has found that the actual experience of inter-LGU cooperation is quite limited. The assessment suggests that generally inter-LGU cooperation has not been approached systematically (except perhaps in waste management and economic development), but is more likely to have occurred as a result of good relations between neighbouring mayors and a clear recognition of common benefit.⁵ This assessment identifies both formal and informal cooperation through different legal mechanisms. Between twenty-four and thirty-seven formal cooperation agreements, at various degrees of consolidation, between different communes and municipalities, were identified through a survey undertaken in 2011, as well as 130 formal agreements among the Qarks (counties). One quarter of the cases of inter-LGU cooperation between communes and municipalities took place in dldp’s working areas of Shkodra and Lezha regions. Indeed, dldp’s own baseline survey

³ See: UNDP, 2011. *Outcome Level Evaluation: A Companion Guide to the Handbook on Planning, Monitoring and Evaluation for Development Results for Programme Units and Evaluators* (New York: UNDP). Krylova-Mueller, Elena and Ornela Shapo, 2011. *Decentralisation and Local Development Program, Northern Albania: Mid-term Review Report* (September-October 2011).

⁴ For more information on the methodology, please see: Dldp, 2012a. *Methodology for Monitoring dldp Outcomes at National Level & Partner LGU Level in Specific Working Areas* (Shkodra: dldp).

⁵ Programme on Reinforcing Local and Regional Government Structures in Albania, 2012a. *Albania: Inter-Municipal Cooperation Baseline Assessment Report* (Tirana: Council of Europe).

found that in the Qark of Lezha, four out of five of municipalities (80%) and seven out of 13 communes (53.8%) have collaborated at least with another LGU. In the Qark of Shkodra, all five of municipalities (100 %) and 15 out of 26 of communes (57.7%) have collaboration at least with another LGU.⁶ However, the survey cautions that such collaboration does not happen on a daily basis. In other words, it does not represent the daily working practice of municipalities and communes.

According to a study by Alba Dokali Wilson, Albania's Law on Local Self-Government is quite liberal with respect to inter-communal cooperation.⁷ The law is based on the European Charter of Local Self Government, which was ratified by the Albanian Parliament in November 1999, therefore emphasizing the right of local government units to associate. While the legal framework may at least be permissive, it is not particularly supportive, as our respondents assessed it as being among the several significant barriers to inter-LGU cooperation. Weak legal and financial incentives, limited human and financial resources, lack of trust among LGU leaderships were identified as barriers for inter-LGU cooperation in Albania. Amongst these barriers, limited knowledge about inter-LGU cooperation and a lack of trust were emphasised as the main issues. The assessment can almost be summarised as: "where there's a will, there's a way". Limited financial incentives are certainly a barrier, but "even where an inter-LGU financing scheme is in place limited inter-LGU projects are submitted by LGUs. This fact highlights once more that limited knowledge, skills and experience is the main barrier that needs to be addressed in the future. Sharing best practices on whatever fields of inter-LGU cooperation with local officials are deemed necessary to overcome the barrier".⁸ Several of the experts interviewed for this report explained that the biggest barrier in the public procurement field is the lack of trust among LGU leaderships because they would have to trust the management of their money to another unit, a feeling confirmed by other interviewees. As we will see below, dldp and partners have made significant steps in overcoming these barriers.

This view of the opportunities and constraints present is confirmed by the inter-LGU assessment cited above, which found that "such a liberal legal framework for IMC initiatives is positive as it gives flexibility to municipalities and communes to embark on creating IMCs. For that reason, much depends on the political will of councils, the support of mayors and the capabilities of local officials to use the legal tools that are available to manage IMCs. On the other hand, the lack of specific laws and by-laws for the creation, funding, management and operation of IMC has constrained municipalities and communes from entering into IMC. This is partly because of the dominant mentality that central government has to provide all details before such an initiative is taken by an LGU and partly because segments of the state administration are not sufficiently familiar with IMC."⁹

4. National objectives for inter-LGU cooperation

For dldp, it is important that its activities are aligned with the policy directives given by the national government, and that they contribute to achieving the identified national objectives. The main policy statements concerning inter-LGU cooperation can be found in Albania's Decentralisation Strategy (1999), Local Governance and Decentralisation Strategy (2006), as well as the Council of Europe Charter of Local Self Government (1985, ratified by Albania in 1999). These statements include:

Local Governance and Decentralisation Strategy, 2006¹⁰

- "The Inter-communal cooperation is a very important issue for the implementation of public service and works projects. This is indispensable. In the framework of the objective for a

⁶ Dldp, 2011a. *Baseline survey on local governance in Shkodra and Lezha* (Shkodra: dldp).

⁷ Dokali Wilson, 2011.

⁸ Expert interview.

⁹ Programme on Reinforcing Local and Regional Government Structures in Albania, 2012a. Note that we use intermunicipal cooperation (IMC) and inter-LGU cooperation interchangeably in this report.

¹⁰ Although it was never officially approved in the Parliament, this strategy still serves the government as guiding policy document.

sustainable local development, the increase of efficiency of using the public funds, as well as the concentration of financial resources in big inter-communal and regional projects”

- “The inter-communal cooperation should be promoted for big inter-communal public projects. This initiative should be promoted and supported through different financial incentives”
- “Another aspect to be encouraged is the creation of economic regions through the cooperation between regions. This initiative should be supported through big inter-regional projects, through financial incentives and through the support in planning structural funds from the EU financial sector”

Decentralisation Strategy 1999

- “In order to support inter-LGU and interregional cooperation must be established sectorial funds and agencies at national, regional and local level”
- “Inter-LGG cooperation is an issue of special importance to implement projects in services and public works”
- “In the frame of objectives for local sustainable development, increase of efficiency in the use of public funds, inter-LGU and regional projects are a “must”
- “In order to support inter-LGU cooperation financial incentives should be used.”

European Charter of Local Self-Government, 1985

“Article 10 – Local authorities' right to associate

1. Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
2. The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
3. Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States”

The importance of inter-LGU cooperation today was reiterated by participants at the recent conference “Reinforcing Local and Regional Government Structures in Albania” organised by the Council of Europe, together with the Ministry of the Interior and the Swiss Cooperation Office. At this event the Prime Minister, Mr. Berisha, Minister of the Interior, Mr. Nishani and Deputy Minister of the Interior, Mr. Poni, gave speeches in which they reconfirmed the Government of Albania’s “interest on decentralization of governance, encouraging of transfer of responsibilities and power, emphasizing to the importance and benefits from the usage of Inter Municipal Cooperation and the need for stronger and more capable staff of LGU’s applying modern HRM [human resources management] practices.”¹¹

In the following sections, the great extent to which dldp and partners’ efforts are aligned with these statements will be made clear.

5. Contributions to inter-LGU cooperation

Dldp and its partners contribute to improving the conditions for inter-LGU cooperation in several different ways. In this section, these contributions are described, grouped around five different types of contributions. According to one of our respondents “in the country context, where a lot is said about the benefits of LGU cooperation, (but unfortunately few things actually done), both these cases [guidelines on procurement in joint projects, financing of joint projects] are very concrete outputs that can be used

¹¹ Programme on Reinforcing Local and Regional Government Structures in Albania, 2012b. *Conference Report* (Tirana: Council of Europe).

at national level”.¹² The contributions described here are those particularly related to the national level and are based on dldp’s strategy for scaling up from its group of partner LGUs to the national level.

5.1 Dldp and partners create awareness about inter-LGU cooperation and inform national and international policy dialogue on the basis of studies and documented experiences and practices

A significant component of the contribution of dldp and its partners towards improving the conditions for inter-LGU cooperation in Albania consists of providing evidence, in the form of studies or documented experiences and practices. These serve to inform a national and international policy debate with very concrete and useful inputs, raising awareness on the practical issues faced by LGUs in cooperating in various fields. The following are a selection of key contributions.

Studies: Together with the Albanian Development Fund (ADF), dldp has produced a study on inter LGU planning and funding.¹³ The study outlines the context and rationale for inter-LGU cooperation, particularly in the field of strategic planning, and analyses a case study of an inter-LGU strategic planning initiative. The study also contains thorough recommendations for advancing the inter-LGU cooperation agenda in the field of planning and funding. This study was presented at the conference “Strong and effective local government through increased cooperation towards good governance” organised by the Council of Europe. It has also been shared internationally through SDC’s decentralisation and local governance network, which highlighted the report in a recent issue of its newsletter.¹⁴

Dldp has also contributed significantly to a study done by the Council of Europe on “Baseline Assessment Report on Inter Municipal Cooperation in Albania.”¹⁵ Dldp’s findings from its baseline survey on local governance in Shkodra and Lezha, where there was a specific section on inter-LGU cooperation, were taken in consideration when writing this assessment.¹⁶ A case study from dldp and partners’ experience is also included in the report. This report, including the case study, was presented at the conference mentioned above, where the findings and recommendations were discussed with the Government of Albania, donors and other actors working in the field of local governance. The conference served to launch findings and validate recommendations for encouraging inter-LGU cooperation in Albania.

A further study, just finalized, is entitled: “Optimisation model of waste collection and transport in Albania”.¹⁷ The study assesses the costs of different waste collection and transport methods. It compared the reference scenario (each LGU has its own trucks and collects its waste individually) with options for reducing costs, including inter-LGU waste management planning and the implementation of waste transfer stations used by several LGUs. The transfer stations allow a reduction in the transportation costs, whereas the planning decreases the investment and maintenance costs. The positioning of the transfer station was optimised in order to decrease the costs. The overall cost reduction between the reference scenario and the optimized ones is about 40%. This study thus provides a strong and evidence based-argument in favour of inter-LGU cooperation in the field of waste management planning and collection. The study was presented in the national conference “Local and Regional Waste Management in Albania- Challenges and Learning in Planning and Implementation” (Tirana, July 2012). .

Finally, in 2010 dldp conducted a thorough baseline study of its partner LGUs, assessing a number of fields of local governance, including the status and perceptions of LGUs related to Inter-LGU cooperation. As mentioned above, this study was used as an input to the Council of Europe supported national assessment on inter-LGU cooperation. The baseline survey was also presented to partners in Lezha Qark at a regional event organized there by dldp. The survey is disseminated through dldp’s website.

¹² Expert interview.

¹³ Dldp and ADF, 2012.

¹⁴ See Democratisation, Decentralisation and Local Governance Network 2012. *Dlgn Newsmail May 2012* (Bern: SDC).

¹⁵ Programme on Reinforcing Local and Regional Government Structures in Albania, 2012a.

¹⁶ Dldp 2011a.

¹⁷ Dldp, EPFL, CSD, REC. 2012. *Optimisation model of waste collection and transport in Albania* (Lausanne: EPFL).

Good practice documentation: In addition to the studies mentioned above (in which a case on inter-LGU public procurement was prepared for the Council of Europe study and another on planning for the joint dldp-ADF study), dldp and partners have also contributed the documentation of case studies of best practices – practices which were shared in a national conference and which are disseminated through the project’s website.¹⁸ The brochure documenting the best practices is widely distributed in English and Albanian versions both nationally and internationally, for example at the NALAS Nexpo Fair in 2011.

Events: Aside from the events mentioned above, in cooperation with Albania’s Public Procurement Agency (PPA), dldp took the initiative to share the newly introduced legal changes providing instructions and a standard contract for the cooperation of contractual authorities (such as LGUs) in public procurement through a joint national event at the national level.¹⁹ These legal changes were introduced by the PPA following the suggestion of dldp that this was an area where guidance would be helpful, and with inputs from dldp and its partner LGUs. This event was attended by a wide range of stakeholders and provided an opportunity for dialogue and exchange between LGUs and representatives of the PPA. This event, as others, was reported in national media, which disseminated the information to citizens throughout the country. Another event, this time with an international focus, was a series of presentations on inter-LGU cooperation that dldp made for a group of representatives of Kosovo LGUs, at the request of UNDP, GIZ and the Kosovo Association of Communes.

Grant fund incentives: As described in more detail in section 5.3, a further way that dldp raises awareness about inter-LGU cooperation is through the incentive provided in the selection criteria for its grant fund. Inter-LGU cooperation is a highly scored criterion for selecting the projects that will be funded through dldp’s granting mechanism. This raises awareness with the LGUs applying for funds, as well as with other partners, of the potential of inter-LGU cooperation. Five inter-LGU proposals have applied for funding through dldp’s grant mechanism. Of these, three have been financed, benefitting seven LGUs. All of these projects are in the waste management sector, one especially promising for inter-LGU cooperation for the reasons explained above.

5.2 Dldp and partners build human and technical capacities for inter-LGU cooperation in specific topics, creating pools of experts

Dldp and its partners undertake capacity building in several fields – however the most significant contribution has been in the establishment and facilitation of inter-LGU thematic expert groups among partner LGUs, as well as the initiation and coordination of a variety of other exchange platforms. Dldp’s contribution in this field has been assessed by one of the experts interviewed for this report as follows: “I personally think that dldp work has contributed to a large extent to tackle the limited knowledge and experiences on IMC through sharing best practices identified in the field”.²⁰

Standing expert groups: Dldp’s main contribution to capacity building for inter-LGU cooperation is through its establishment of inter-LGU expert groups in several of its working areas. Groups are currently active in the fields of waste management, strategic planning and medium term budgeting and fund access. At present, the members of these expert groups are from dldp partner LGUs and the objective of the contribution is to support a group of topical experts who have experience working together on specific issues. As our expert interviews identified, a lack of trust between LGU leaders is one of the main barriers to inter-LGU cooperation in Albania. Initiatives such as the inter-LGU expert groups that can foster trust are thus an important contribution to overcoming one of the national level barriers. Indeed, one expert identified this as the most significant change resulting from dldp’s contributions to inter-LGU cooperation (see more on changes in section 6). According to a report by dldp on the delivery of waste management services, the establishment of the inter-LGU group of experts has helped experts from

¹⁸ See: <http://www.dldp.al/images/docs/Best%20practice.pdf>

¹⁹ See Section 6.4 and also Dldp, 2012b. *Report on Dldp/PPA national event on 9th of February. Presentation of the Instruction and standard contract on The Cooperation of Contractual Authorities in the field of Public Procurement* (Shkodra: dldp).

²⁰ Expert interview.

different LGUs come together, increase their knowledge and skills, and exchange their experience. A vision is reported that inter-LGU expert groups could be liaised with LGU associations or Qarks, due to already documented cases where inputs from these groups have been mainstreamed in national policies. For example, inputs of experts group have contributed on the annual instructions of MTBP 2013 and the recommendations of the national conference on waste management mentioned earlier. Dldp provides various trainings to the expert groups, according to defined curricula, and facilitates working groups, exchanges of experience, visits, and alignment of methodologies.

Adhoc expert groups: In addition to the standing expert groups, dldp also supports inter-LGU expert groups for the implementation of specific projects or processes, such as the establishment of One Stop Shops, Visitor Information Strategies (where two LGUs developed independent strategies but profited from regular exchange and inputs from the other), and regional development.

Trainings and exchange platforms: Outside of the group of its partner LGUs, dldp staff and representatives from dldp partner LGUs are included in the Training of Trainers process on inter-LGU cooperation co-organised with the Council of Europe implemented project “Empowerment of Local and Regional Governance Structures”. The national conferences and other events reported in section 5.1 are also considerable capacity building moments as they serve to launch new ideas, allow LGU representatives and implementing partners to present their own experiences and learnings to a wider audiences and inform the public in general. The exchange meeting with Kosovo LGU representatives mentioned earlier can also be considered a capacity building moment.

5.3 Dldp and partners contribute to templates, models and procedures that give guidance to how to achieve concrete inter-LGU activities & pilot their implementation.

Due to its close working relationship with partner LGUs, dldp is in a position to identify instances when LGUs would require guidance in the form of standardized templates, models or procedures, as well as to pilot initiatives that could later be generalized as standards. Dldp’s method, according to our expert interviews, is first to initiate a study on the particular situation, both legally and practically. Dldp asks for concrete findings from the study and the assessment of concrete possibilities of revising and improving in the system to make inter-LGU cooperation possible. After in depth analysis of data, including an analysis of existing case studies, a set of recommendations are developed. Subsequently, dldp approaches the relevant agencies to explore how the recommendations can be furthered in policy, regulatory or other terms.²¹ In the following, dldp’s support to standard procedures and its piloting of new ones are briefly outlined.

Support to the development of standard procedures: The main area where dldp support has contributed to the development of a standard procedure has been in the field of public procurement. In this case, the objective of such cooperation was the elaboration, approval and publication of a set of instructions from the PPA that details the form and modalities of cooperation between two or more contractual authorities (including LGUs) as well as a standard type agreement attached to this instruction serving as a model for contractual authorities that share the same needs and interests on procuring the same products, thus enabling a sole procurement process. While the responsibility for drafting official standardized templates rests with the relevant governmental authority, in this case the PPA, dldp’s contribution has been to facilitate the process, provide inputs to the design, and coordinate the launching and sharing of the results through a national conference. The model agreement and instructions have been further disseminated by the PPA. Dldp’s support to the Public Procurement Agency to introduce procedures for public procurement in case of inter-LGU cooperation is a very significant example of their contribution in reducing barriers to inter-LGU cooperation in Albania.²²

²¹ Expert interview.

²² Expert interview.

Piloting new procedures: A key area where dldp has contributed to piloting new procedures has been in the creation of financial incentives for inter-LGU projects, as part of dldp's grant fund governance (noted earlier in section 5.1). Dldp encourages partner LGUs in the region of Shkodra and Lezha to jointly submit projects such as infrastructure, waste management and strategic planning, assigning a certain number of points in the funding proposal evaluation criteria to inter-LGU cooperation. Through its grant mechanism dldp actively promoted and financed joint projects, thus creating very concrete examples of cooperation in the delivery of public services. Experts interviewed for this report suggest that dldp direct support to inter-LGU initiatives through its grant scheme is of high importance because it creates real opportunities for implementing inter-LGU cooperation, contributing to the development of a solid base of successful inter-LGU cases, and providing for good practices from which others, also outside Shkodra and Lezha regions can learn.²³ Examples of inter-LGU initiatives funded through the grant fund include: the development of an integrated waste management plan for Rubik and Rreshen municipalities and differentiated waste collection in Dajç and Hajmel communes and the construction of a recycling centre. In its support to the waste sector overall, dldp has contributed to piloting inter-LGU funding, inter-LGU planning, inter-LGU procurement and inter-LGU assessment.

5.4 Dldp liaises with various programmes to advocate and enhance conditions of developing inter-LGU cooperation

Dldp's partnership approach was highlighted by the interviewed experts as being a particularly important contribution. Dldp consistently seeks to involve other actors, to share its experiences and to work together towards a common objective: "dldp is a very good partner which contributes as needed on the topics of same interest and uses other partner's expertise whenever it is relevant for dldp purposes. Communication with dldp has been very good in all levels."²⁴ The following paragraphs describe dldp's contributions to liaise with key partners for the initiatives outlined above:

Albanian Development Fund (ADF): from the side of the ADF, the perception is that dldp's approach to Inter-LGU practices and sharing of experiences has been dynamic and proactive.²⁵ Dldp encouraged ADF to share its inter-LGU planning experience in Zadrima region. Further, it collaborated with ADF adding and linking both experiences of dldp and the ADF in inter-LGU cooperation in the study cited at the beginning of this section. According to the ADF, dldp has gone beyond just identification of inter-LGU cooperation experiences; furthermore, it has cooperated with other actors (such as ADF, PPA) in order to share these experiences through round tables and conferences.

Public Procurement Agency (PPA): Dldp has also established a close partnership with the Public Procurement Agency, throughout the process from when dldp approached the Agency with the proposal to establish guidelines for inter-LGU public procurement, to the guidelines' preparation and their launching at a national event coordinated by dldp and the PPA. In December 2011 a letter of interest and a Memorandum of Understanding signed by the two organisations provided a frame for the cooperation between them.

Council of Europe (CoE): dldp has a close cooperation with the CoE project "Reinforcing Local and Regional Government Structures in Albania" not only because both are financially supported by SDC but also especially because they are working in similar fields (though mostly on different scales of government). The topic of inter-LGU cooperation component is the common issue which links the two projects, dldp contributing to encourage and assist its implementation in Shkodra and Lezha regions and CoE, providing tools, recommendations for legal improvements, building capacities, increasing awareness and encouraging IMC in national level. Cooperation is materialized through dldp using CoE tools and CoE, using dldp IMC cases to verify and validate findings in national level. The cooperation between the two organisations is formalized through a Memorandum of Understanding. Concretely, dldp contributed on

²³ Expert interview.

²⁴ Expert interview.

²⁵ Expert interview.

an ongoing basis during CoE project implementation providing valuable input to the proposed CoE tools, such as IMC questionnaire and IMC case studies format. Dldp was part of the working group providing orientation to the CoE assessment of inter-LGU cooperation in Albania. From their side, CoE contributed providing information and knowledge on inter-LGU cooperation during dldp organized activities such as orientation session for LGUs during the grant distribution process; exchange experiences meeting with Kosovo LGUs representatives, etc. Both organisations have observer status on the others' management board.

Regional Development Programme: dldp also liaises with the Austrian-Swiss funded Regional Development Programme (RDP), ensuring that dldp's learnings are shared. Recently²⁶ the Qarks of Shkodra and Lezha, both main partners of RDP, have proposed two projects for funding through RDP that reflect the practices and findings of dldp. The Qark of Shkodra has proposed an inter-LGU strategic plan for six LGUs and the Qark of Lezha has proposed building one of two waste transfer stations proposed for 9 LGUs.

Other organisations: dldp also liaises with a host of other organisations. For example, dldp provided inputs in an exposure visit for Kosovo LGUs that was organised by UNDP. Furthermore, the project participates in working groups on inter-LGU cooperation of the Albanian Associations of Local Authorities (AAM and AAC). Dldp has learned about and further shared other organisations' experiences of inter-LGU cooperation (such as, MAN community supported by the Spanish Agency for Development, Zadrime inter-LGU case supported by the Italian organisation COSPE, and an inter-LGU waste management case supported by KfW). Other partners that dldp works with in fields that include an inter-LGU component include NALAS, SELEA, GIZ and LOGOS, as well as the Swiss institutions, EPFL and the Hochschule Luzern. Finally, it goes without saying that dldp liaises regularly with the Swiss Cooperation Office.

6. Changes observed in inter-LGU cooperation

As a result of the contributions described in the previous section, several changes or outcomes can be observed. In this section we will detail and provide evidence for these outcomes. For the purposes of this report, we understand outcomes as follows:

"Outcomes describe the intended changes in development conditions that result from the interventions of governments and other stakeholders, including international development agencies ... They are medium-term development results created through the delivery of outputs and the contributions of various partners and non-partners. Outcomes provide a clear vision of what has changed or will change globally or in a particular region, country or community within a period of time. They normally relate to changes in institutional performance or behaviour among individuals or groups. Outcomes cannot normally be achieved by only one agency and are not under the direct control of a project manager."²⁷

The final sentence is important to understating the framing of this report – outcomes are not what dldp delivers, but rather the changes that happen at the level of project partners on the basis of dldp contributions as well as a variety of other factors. While we cannot rigorously establish that certain changes at the national level are the direct result of services delivered by dldp (due to the complexity of the national arena), our aim is to establish that dldp services have contributed to this change.

As advancing inter-LGU cooperation is not a specific objective of dldp, the changes that can be observed in this field result from dldp pursuing initiatives in several key areas. The changes that result therefore are quite specific – practical steps in moving inter-LGU cooperation forwards. The experts interviewed for this report indicate that the most significant changes that dldp has contributed to include:

- a feeling of trust between LGUs and an atmosphere of cooperation rather than competition is fostered,

²⁶ During the RDP Coordination Committee meeting held on 24 th of July 2012

²⁷ UNDP, 2009. *Handbook on Planning, Monitoring and Evaluating for Development Results* (New York: UNDP).

- LGUs have the experience of practical inter-LGU cooperation encouraged through dldp's grant fund (particularly in the fields of waste management and strategic planning),
- national policy making is informed by a series of case studies and other publications that document this experience and
- the enabling conditions for inter-LGU cooperation (including the policy, legislative, financial or regulatory framework) are improved
- an expected improvement in the efficiency of public service delivery through inter-LGU cooperation.

These changes are described in the paragraphs below.

6.1 A feeling of trust between LGUs and an atmosphere of cooperation rather than competition is fostered

As mentioned earlier, expert interviews identified a lack of trust between LGU leaders as one of the, if not the most important, barriers to inter-LGU cooperation. LGUs may see themselves as competitors for the various funds available through competitive mechanisms, and due to the highly polarised political environment, local politicians don't necessarily interact extensively across party lines. These challenges are in addition to the in any case high level of trust required to engage in joint public procurement or other financial transfers between LGUs in the context of cooperation initiatives. An atmosphere of trust is an important pre-condition to effective inter-LGU cooperation. This was identified by one of our respondents as being the most significant change to result from dldp's activities in the field of inter-LGU cooperation: "building trust between LGUs that have a potential to gain more by cooperating rather than competing".²⁸ One way that dldp fosters this trust is through facilitating inter-LGU expert groups, as outlined earlier both standing and ad-hoc. These groups, as some of their members attested, are a good forum for exchange and discussion and for the development of common projects.²⁹ As our respondent further emphasised: "When looking at nature of work of dldp, one sees they cooperate very well with communes and municipalities and bring them together into various coordination mechanisms and exchange forums. I think this is one of the main things dldp can be proud of – creating trust between LGUs in Shkodra and Lezha".³⁰ This creation of an atmosphere of trust has outcomes at the national level as well because it is one of the key conditions behind the existence of so many inter-LGU cooperation initiatives in Shkodra and Lezha – one quarter of all the inter-commune and municipality experiences in Albania!³¹

6.2 LGUs have the experience of practical inter-LGU cooperation, encouraged through dldp's grant fund (particularly in the fields of waste management and strategic planning)

As our respondents and the literature reviewed in preparing this report indicate, there is still not a large body of practical examples of inter-LGU cooperation in Albania. Without these examples, it is difficult to provide evidence for the assumptions that inter-LGU cooperation will increase efficiency, improve public services, etc. Mayors and other policy makers can be convinced through learning from others' experience. While cases do exist of LGUs cooperating on the basis of their own initiative, in most cases some incentive is required. As outlined in section 5.3, dldp provides such an incentive through, making inter-LGU cooperation one of the evaluation criteria (such a practice is implemented by other funders as well). Thanks to this encouragement, several cases of inter-LGU cooperation have been initiated between and among dldp partner municipalities.

The experts interviewed for this report were unanimous on the value of this change – that LGUs now have practical experience of inter-LGU cooperation: "I believe it is very important that dldp, through its grant mechanism actively promoted and financed joint projects, creating thus, very concrete examples of

²⁸ Expert interview.

²⁹ Dldp, 2011b. *Report 2: Delivery of waste management services by dldp* (Shkodra: dldp).

³⁰ Expert interview.

³¹ Programme on Reinforcing Local and Regional Government Structures in Albania, 2012a.

cooperation in substantial services that LGUs should offer.”³² This experience also contributes to important learning at the national level: “We consider dldp contribution in encouraging and supporting IMC in Shkodra and Lezha very valuable and timely considering CoE contribution in providing IMC tools and capacity building. Dldp direct support to IMC initiatives through grant scheme is of high importance because it creates real opportunities for implementing IMC contributing to the successful IMC cases providing for best practices exchange within Shkoder and Lezha regions and broader.”³³ Due to dldp’s contribution in incentivising and encouraging inter-LGU cooperation initiatives, as well as the contributions of others, a range of first experiences is in the hands of LGU leaders and other stakeholders who can then further build on this basis. As the Council of Europe inter-LGU assessment indicates, LGUs that have experience with inter-LGU cooperation are likely to initiate it again.³⁴ The growing bottom-up momentum to take advantage of opportunities for inter-LGU cooperation is thus a significant change that dldp has contributed to.

6.3 National policy making is informed by a series of case studies and other publications that document this experience

Due to dldp’s contribution in incentivising and encouraging inter-LGU cooperation initiatives, as well as the contributions of others, the policy debate on inter-LGU cooperation in Albania is not only theoretical but is informed by practical experiences that have been documented and shared. Dldp’s contributions in documenting and sharing the inter-LGU cooperation activities it has supported, as well as those supported by others, has gone a long way to achieving this change. Further, dldp not only describes case studies, but insists on digging deeper to produce important and relevant analyses from which lessons can be learned. An expert interviewed explained: “Dldp has gone beyond just identification of Inter LGU cooperation experiences; furthermore, it has cooperate with other actors (such as ADF, PPA) in order to share these experiences through round tables and conferences. In the light of what is said above related to barriers, I personally think that dldp work has contributed to a large extent to tackle the limited knowledge and experiences on IMC through sharing best practices identified in the field”.³⁵ Dldp chooses different ways of informing national policy, relying on a wide range of methods: “I think that this information sharing has its positive effect on the audiences. Choosing a round table for sharing products such as IMC template or IMC standard agreement; a conference for sharing IMC best practices; and a paper to influence policy makers on IMC planning and financing had had its strong effect on contributing to IMC promotion”.³⁶

An important example in this respect has been dldp’s many contributions to the Council of Europe project, “Reinforcing Local and Regional Government Structures in Albania”. This project has been one of the main initiatives that has shaped the inter-LGU cooperation agenda in Albania, an effort that was backed from the Ministry of the Interior with resources, and also with commitment at policy level. Even while changes in the legal environment have not yet resulted, the topic of inter-LGU cooperation has gained high visibility and relevance. In all of this process dldp was quite active, as part of the working group and in bringing in information and case studies from its working regions. Stated our interviewee, “their participation in the work group was quite meaningful for moving forward several things that were done within the CoE project”.³⁷ Thus we can say that dldp has contributed to the change that the policy environment is well informed by case studies and other documented experiences, and that the agenda of inter-LGU cooperation promoted at the national level is based on the real concerns and wishes of LGUs.

6.4 The enabling conditions for inter-LGU cooperation (including the policy, legislative, financial or regulatory framework) are improved

³² Expert interview.

³³ Expert interview.

³⁴ Programme on Reinforcing Local and Regional Government Structures in Albania, 2012a.

³⁵ Expert interview.

³⁶ Expert interview.

³⁷ Expert interview.

The fourth major area where dldp has been able to contribute to changes at national level has been in the improvement of enabling conditions for inter-LGU cooperation. By enabling conditions we mean the policy, legislative, financial or regulatory framework. Dldp's support to building trust and creating incentives for inter-LGU cooperation has been outlined in the previous paragraphs. Here we focus on the change in the regulatory framework, specifically the guide and the standard agreement related to inter-LGU public procurement jointly designed by dldp and the Public Procurement Agency, as has been outlined earlier. This was identified as a key initiative of dldp that had a national echo. Expert interviews indicate that "dldp's assistance to the Public Procurement Agency to introduce procedures for LGUs' public procurement in case of IMC is a very significant example of their contribution in reducing barriers on IMC in Albania".³⁸ A representative of the PPA stated that in this case the contribution of dldp has been very helpful and significant. The lack of instructions was a problem identified by dldp, the identification of which helped the PPA to provide better guidance both to LGUs as well as all other contracting authorities in Albania. According to the PPA, the change in this field because of this kind of collaboration has been very good and concrete.³⁹

In addition to inter-LGU procurement, dldp has a number of initiatives in the field of inter-LGU cooperation that are upcoming or in progress, including:

- a model agreement for an inter-LGU project that could be proposed for funding through the dldp grant fund (or another other fund). The agreement describes the roles and responsibilities of the partnering LGUs and would be approved by each of their local councils
- a model agreement for the joint provision of waste management services between different LGUs that regulates the roles and responsibilities of the participating LGUs
- a training curricula for project cycle management that is adapted for inter-LGU projects

There are clear indications that these initiatives will also contribute to changes at the policy, legislation, financial and/or regulatory framework in the coming months and years.

6.5 An expected improvement in the quality and efficiency of public service delivery

The main rationale for engaging in inter-LGU cooperation is to improve the quality and efficiency of public services through the reduction of procedures, economies of scale, etc. That is also the aim of dldp's contributions in this area. As noted earlier, different inter-LGU cooperation initiatives are currently being implemented by dldp partner LGUs, funded through the dldp grant fund. While data is not yet available on the outcomes of the implementation of these initiatives, it is expected that they will lead to a more efficient delivery of public services. For example, it is expected that inter-LGU common public procurement will reduce the administrative costs of procedures.⁴⁰ Or, as cited earlier, a study on the optimisation of waste management services found that costs could be reduced by 40% in Shkodra and Lezhe through inter-LGU cooperation.⁴¹ The three inter-LGU cooperation initiatives currently being implemented with the support of dldp are all in the waste management sector.

As this report only covers the first half of dldp's second phase, a series of other changes – particularly those resulting from the implementation of the different initiatives outlined here, is expected until the end of the year. As our respondents cautioned, the timeframe assessed is quite short for observing changes at partner level. These changes take time. Considering "the complexity of public procurement procedures, but especially complexity of inter-municipal cooperation which is linked not only with objective factors such as needs, time, money, capacities but also with very subjective factors such as behaviour and trust, all above require their time to ensure the expected impact on IMC in general and especially on IMC on public procurement (being sensitive in itself)".⁴² Another expert interviewed noted

³⁸ Expert interview.

³⁹ Expert interview.

⁴⁰ Dldp 2012b.

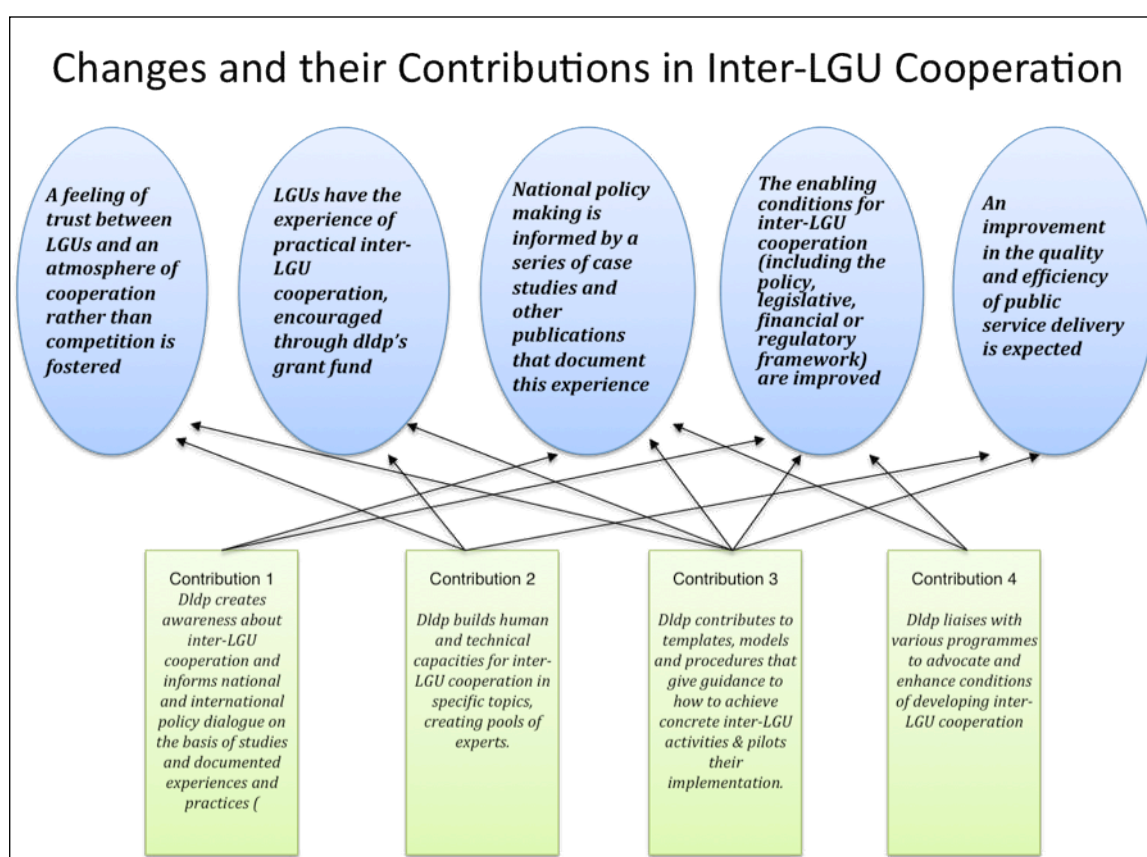
⁴¹ Dldp et al. 2012.

⁴² Expert interview.

that it is not relevant to consider changes relating from some of dldp's initiatives (specifically the public procurement instructions and draft contract) in inter-LGU cooperation as they have been launched only recently.⁴³ That being said, the present document can be considered to present the first changes visible for the time being. Further monitoring is recommended.

7. Conclusions

This report has described the contributions that dldp and its partners make to generating experiences, building capacities and producing documentation and procedures in the field of inter-LGU cooperation. On the basis of five expert interviews and a literature review, the report also outlines four changes that have been observed related to these contributions, and a fifth change that is expected. The contributions made by dldp and its partners are only part, though an important part, of the contributions made at a national level in moving the inter-LGU agenda forward. As changes at the national level in the conditions for inter-LGU cooperation are complex and a result of a variety of different factors, we have focussed here on changes that can reasonably be related to the contributions of dldp and its partners. The aim was to be quite concrete and specific about these changes and to base the findings about of dldp's role on the qualitative assessment of the experts interviewed. The changes observed and the activities that contribute to them are summarised in the following diagram.



What can we learn from this assessment of contributions and changes, and from analyzing how they are related? The evidence presented in this report shows a clear case for the **importance of a bottom-up approach** that promotes initiatives and encourages practical experiences, and then **documents and shares the learnings gained** through the process. In this way, inter-LGU cooperation can be **understood as a practice**, with the different complexities that entails, rather than a just an interesting concept. **National policy and regulation benefit** when information about these practical experiences is available. However, for wider changes to take place beyond several interesting pilots, the initiative of LGUs for

⁴³ Expert interview.

cooperation should be matched with initiative from the side of the national government to encourage and facilitate such cooperation. The case of the standardised procedures for joint public procurement mentioned at several points in this report is an excellent case in point. A request from dldp and its partner LGUs for a standard way to proceed with joint public procurement was responded to by the Public Procurement Agency with a participatory process for developing just such a procedure, a procedure which in the end benefits not only the initiating LGUs but also potentially all LGUs in Albania as well as other bodies involved in public procurement. As the evidence provided in this report shows, *such a bottom up, step-by-step and practical way of proceeding can be effective in achieving change.*

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